

Message Text

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47

ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

FEA-02 OMB-01 SWF-02 XMB-07 DRC-01 OPIC-12 /224 W

----- 074760

P R 081017Z MAY 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 4673

INFO USMISSION EC BRUSSELS PRIORITY

USMISSION GENEVA PRIORITY

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

UNCLAS ROME 6302

E.O. 11652 N/A

TAGS: EFIN, ETRD, IT

SUBJ: LIMIT ON FOREIGN FINANCING OF PRIOR IMPORT DEPOSIT

REF: (A) ROME 5976

(B) ROME 5978

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(C) ROME 6131

1. ITALIAN EXCHANGE OFFICE HAS REVOKED AUTHORITY OF AUTHORIZED ITALIAN BANKS TO GUARANTEE FOREIGN LOANS FOR FINANCING ITALIAN IMPORTS, INCLUDING COST OF NEW PRIOR IMPORT DEPOSIT. SPECIFICALLY, AUTHORIZED BANKS MAY NOT GUARANTEE FOREIGN LOANS AIMED AT (A) FINANCING OF MERCHANDISE DEFINITELY IMPORTED INTO ITALY OR SERVICES FURNISHED BY NON-RESIDENTS TO RESIDENTS, AND (B) FINANCING OF TEMPORARY IMPORTS FOR PRODUCTION OF FINISHED PRODUCTS FOR RE-EXPORT ON BEHALF OF NON-RESIDENT. HOWEVER, ITALIAN EXCHANGE OFFICE MAY GRANT EXCEPTIONS TO GENERAL RULE.

2. INTRODUCTION OF RESTRICTION ON BANK GUARANTEE SEEMS TO BE AIMED AT DISCOURAGING FOREIGN FINANCING OF PRIOR IMPORT DEPOSITS. IT APPEARS THAT GOI PREFERS TO DISCOURAGE IMPORTS BY MAKING FOREIGN FINANCING OF PRIOR IMPORT DEPOSIT DIFFICULT, RATHER THAN PERMITTING IMPORT TO BE MADE AND BALANCE OF PAYMENTS LOSS TEMPORARILY OFFSET BY FOREIGN FINANCING. ALTERNATIVELY, AND PERHAPS MORE IMPORTANT, IS DESIRE TO FORCE IMPORTER TO FINANCE DEPOSIT DOMESTICALLY WITH RESULTING TIGHTENING OF BANK CREDIT CONDITIONS.VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: IMPORT CONTROLS, CURRENCY CONTROLS, ECONOMIC CONTROLS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME06302
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740111-0709
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740564/aaaacflp.tel
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Office: ACTION EUR
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Original Previous Classification: n/a
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 OCT 2002 by shawdg>; APPROVED <03 JAN 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Transfer Date:
Review Withdrawn Fields: n/a
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TAGS: EFIN, ETRD, IT
To: STATE
Type: TE
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